

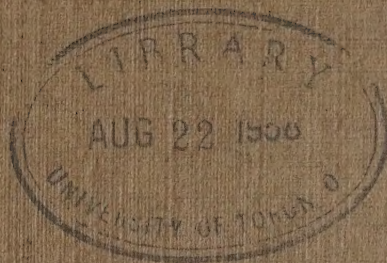
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HYDRO-ELECTRIC INQUIRY COMMISSION

REPORT
ON
THOROLD AND ESSEX SYSTEMS
AND
BONNECHERE RIVER STORAGE SYSTEM

W. D. GREGORY, CHAIRMAN
M. J. HANEY
LLOYD HARRIS
J. ALLAN ROSS
R. A. ROSS

COMMISSIONERS
JOSEPH H. W. BOWER
SECRETARY



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THOROLD AND ESSEX SYSTEMS

COPY

-and-

BONNECHERE RIVER STORAGE SYSTEM.

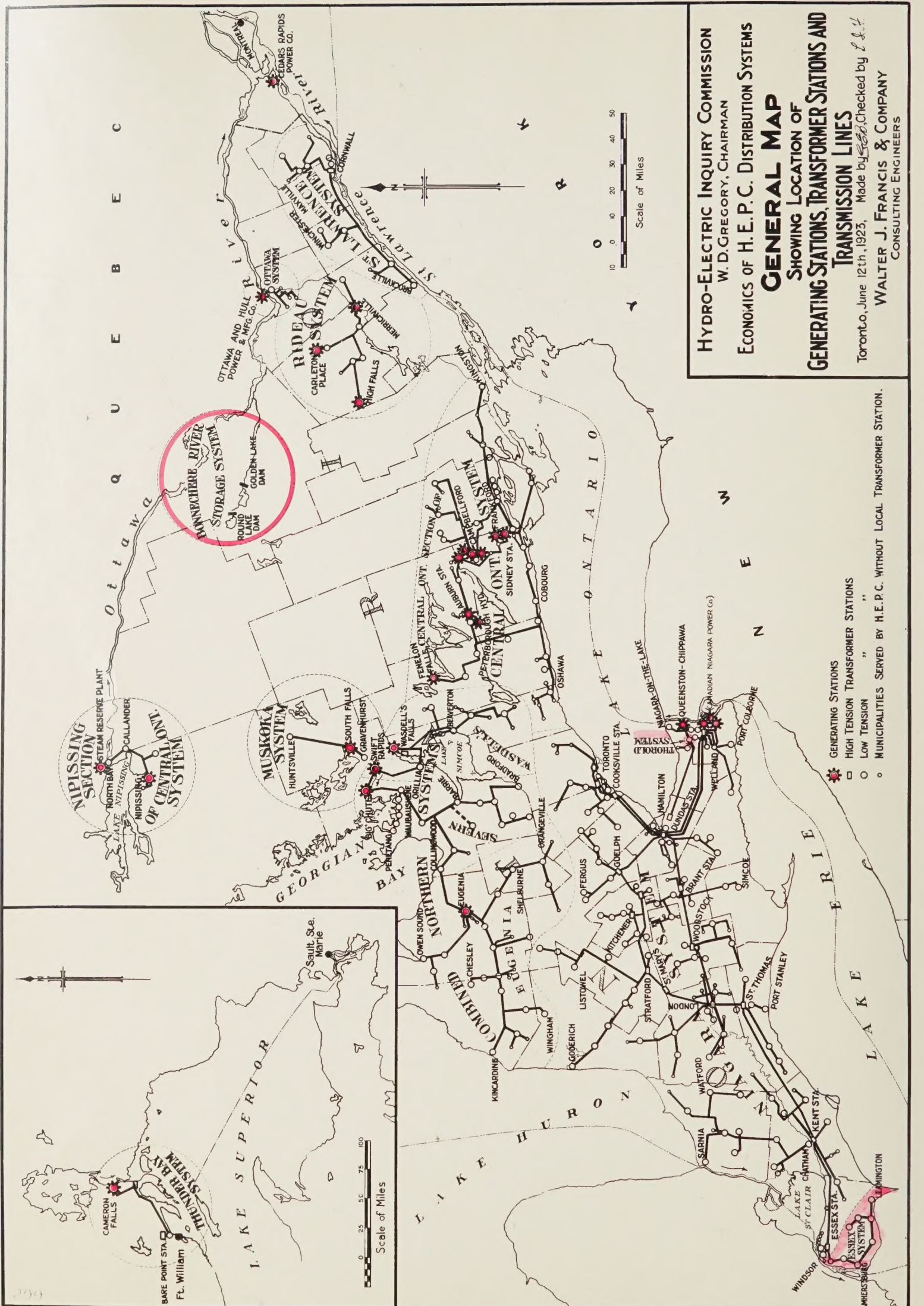
THEORY AND PRACTICE SYSTEMS

COPY

-and-

RESEARCHER AT THE STORAGE SYSTEM.





HYDRO-ELECTRIC INQUIRY COMMISSION
W. D. GREGORY, CHAIRMAN

ECONOMICS OF H. E. P. C. DISTRIBUTION SYSTEMS

GENERAL MAP
SHOWING LOCATION OF
GENERATING STATIONS, TRANSFORMER STATIONS AND
TRANSMISSION LINES

Toronto, June 12th, 1925, Made by *W.D.G.* Checked by *L.H.L.*

WALTER J. FRANCIS & COMPANY
CONSULTING ENGINEERS

GENERATING STATIONS
HIGH TENSION TRANSFORMER STATIONS
LOW TENSION
MUNICIPALITIES SERVED BY H. E. P. C. WITHOUT LOCAL TRANSFORMER STATION.

HYDRO-ELECTRIC INQUIRY COMMISSION

COPY FOR ENCLOSURE TO

Map showing Location of

Thorold and Essex Systems

Bonnechere River Storage System.

HYDRO-ELECTRIC INQUIRY COMMITTEE
 W. D. GREGORY, CHAIRMAN
 ECONOMICS OF H. E. P. C. DISTRIBUTION SYSTEMS
 GENERAL MAP
 Showing Location of
 GEMMANY SYSTEMS THROUGHOUT
 TRANSMISSION LINE
 PROJECTS, L. F. H. C. of Columbia
 University, Washington

COPIES

General Map of the District

General Map of the District



To His Honour Henry Cookshutt,

Lieutenant-Governor of the Province of Ontario.

May it please Your Honour:

Amongst the undertakings of the Hydro-Electric Power Commission (hereinafter referred to as "The Commission"), the expenditures upon which have been investigated as directed by Your Honour's Commission to us, are works and operations, commonly referred to as "Systems". These undertakings are not "Systems" within the meaning of the term as used in The Power Commission Act, which by Section 23b declares that a group of municipalities entering into contracts with the Commission for the supply to them of electrical energy from works, the costs of which they have assumed, shall be defined for the purpose of the Act as a "System". The word, however, has commonly and with convenience been employed when reference is made to undertakings of the Commission.

Herewith we transmit reports made to us by our Consulting Engineer, Mr. Walter J. Francis, and of our Accountants, Messrs. Price, Waterhouse and Company, on the engineering features and the Commission's accounts, respectively, of the "Thorold System", the "Essex County System" and the "Bonnechere River Storage System", to which Your Honour is respectfully referred for more detailed information on the subject matters therein dealt with than it is deemed advisable to include in this our

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1947-1948

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"I've been" at the center of the story in the past.

was reviewed and the following information was obtained:

The number is listed as 0-11-1967.

It seems that the above is the best way to do it.

with a view to the future of the country.

—*Continued from page 10*

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THE DISTRICT OF COLUMBIA

report upon these undertakings. Attention, however, is drawn to the fact that the reports of Messrs. Price, Waterhouse and Company were based on information obtained from all sources available at the time when they were prepared. The report of the Commission for the fiscal year ending October 31st, 1922, has been published recently and from this our Accountants have been able to furnish us with additional data for our report to Your Honour.

Thorold System

After the acquisition by the Commission in 1917 of control of the Ontario Power Company of Niagara Falls by the purchase of a majority and subsequently of all the issued shares of the capital stock of the company and during the administration of the affairs of the company by a Board of Directors, composed of members and officers of the Commission, the Commission purchased from James Battle of the Town of Thorold his entire undertaking of supplying electrical power or energy in the Town of Thorold and its vicinity. This included land, sub-station and its equipment, transmission lines, distributing system, contracts, franchises and goodwill.

Under an agreement dated October 24th, 1910, and a supplementary agreement dated April 29th, 1912, made with the Ontario Power Company and extending over a period of thirty years from May 1st, 1911, Mr. Battle had practically the sole right to

report upon these matters. It is to be noted that the reports of the Commission are based on information obtained from all sources available at the time they were prepared. The Commission has been furnished recently and from this our accountants have been able to furnish us with additional data for our report to the Board.

Financial Statement

After the completion of the Commission's report on the control of the Ontario Power Company at Kingston, the Commission has been advised of a variety of matters of interest to the Board of Directors of the Ontario Power Company and during the administration of the affairs of the company by a Board of Directors, composed of members and officers of the Commission, the Commission has been advised of the Town of Toronto and its vicinity. This included land, buildings, and the equipment, transmission lines, distribution system, and the Commission has been advised of the following matters: Under an agreement dated October 24th, 1910, and a supplementary agreement dated April 20th, 1912, made with the Ontario Power Company and extending over a period of thirty years from May 1st, 1911, the Board has been advised of the following matters:

purchase power at specified rates from the company for distribution to consumers, other than Railway Companies, in certain territory in the vicinity of Thorold. He had secured contracts to supply power to consumers in the territory and in 1918 the average quantity of power purchased by him from the Ontario Power Company amounted to about 707 horse-power. The Company had also entered directly into contracts to supply power to consumers in Mr. Battle's territory, but it was mutually agreed that royalties would be paid to him on all power furnished to those customers. Mr. Battle owned a short section of 12,000 volt transmission line connecting a distributing station in Thorold, also owned by him, with the company's lines. At this distributing station the voltage was reduced to 2,300 volts and power was sent over his distribution lines to supply the various customers. He also had the franchise or right to furnish and distribute "electric light, heat, power and energy" in the township and town of Thorold, and to use and occupy highways in these municipalities for this purpose.

Under date of October 2nd, 1918, the Commission forwarded to Sir William Hearst, then Prime Minister of the Province, a report, which in part stated:-

"Mr. Battle has a contract with the Ontario Power Company for power, and in addition to this contract, Mr. Battle has an agreement with the Ontario Power Company whereby he receives certain royalties on account of power supplied to the Ontario Paper Company and the Beaver Wood Fibre Company of Thorold, the present value of which royalties we have estimated to be \$57,461.00. This agreement also gives Mr. Battle

the right to collect similar royalties on any additional power which he may purchase from the Ontario Power Company and sell in the above mentioned districts.

In view of these facts negotiations have been entered into with Mr. Battle with a view to purchasing his distribution system, the value of which has been estimated by our Engineers to be \$25,872.41.

We have estimated that the present value of Mr. Battle's plant and system, in addition to the present value of the business and royalties above set out, amounts to approximately \$129,274.

We believe that it is in the interests of the Commission, of the municipality of Thorold, and the other municipalities in this district, for the Commission to purchase Mr. James Battle's plant, same to be taken over and paid for by the municipality of Thorold at a later date.

I would therefore recommend that the Commission, on behalf of the municipality of Thorold, be authorized to purchase Mr. James Battle's plant under the Power Commission Act, 7 George V. Section 3."

An agreement dated October 1st, 1918, which to become valid required the approval of the Lieutenant-Governor in Council, had been entered into between James Battle and the Commission. A copy of this agreement is Exhibit III to a report of our Accountants before mentioned.

On October 23rd, 1918, the following Order-in-Council was passed:

"Upon consideration of the report and recommendation of the Hydro-Electric Power Commission of Ontario dated 2nd October, 1918, and upon the recommendation of the Honourable the Attorney General, the Committee of Council advise that pursuant to Clauses (g) and (h) of Section 8 of The Power Commission Act, Chapter 39, R. S. O. 1914, as enacted by Section 3 of The Power Commission Act 1917, Chapter 20, 7 George V., the said Hydro-Electric Power Commission of Ontario be authorized to purchase, upon being satisfied as to the title of the same, the property, assets,

and undertakings of James Battle of the Town of Thorold, in the County Welland, as provided in the annexed agreement, for the sum of One Hundred Thousand Dollars (\$100,000), and to issue in payment of the said purchase price, forty-year bonds of the Commission, bearing interest at the rate of four per cent (4%), and for the aforesaid purposes to enter into and execute the said annexed agreement.

The Committee further advise that in accordance with the said report and recommendation, and pursuant to Section 14c of The Power Commission Act, Chapter 59, R. S. O. 1914, as enacted by Section 5 of The Power Commission Act 1917, Chapter 20, 7 George V., Your Honour do agree, on behalf of the Province of Ontario, to guarantee the payment of the principal and interest of the said bonds.

And the Committee further advise that pursuant to the said Section 14c of The Power Commission Act, Charles Hood Sproule, Assistant Treasurer of Ontario, be designated as the officer to sign the said guarantee on each of the above mentioned bonds on behalf of the Province of Ontario, such guarantee to be in the form following:

By virtue of powers conferred by the Legislature of the Province of Ontario, Canada, the Province of Ontario hereby guarantees to the holder of the within bond for the time being, and to the holder for the time being of any of the coupons attached thereto, due payment of the principal of the within debenture and of the interest thereon, according to the tenor of the said debenture and of the coupons attached thereto."

The value of the plant to be acquired was enhanced by the value of the contracts adherent thereto and the purchase price was agreed upon at \$100,000.00. Bonds of the Commission to the amount of \$100,000.00, dated December 1st, 1918, guaranteed by the Province and payable in forty years from date of issue with interest at four per cent, per annum were issued and delivered as payment of the purchase price of the Battle undertaking. The

and undertakings of James Battle of the Town of
Carroll, in the County of Carroll, as provided in
the second paragraph, for the use of the United
States of America, and as further provided
of the said purchase price, three-fourths of the
sum, being interest at the rate of four per
cent (4%), and the undivided surplus to enter
into and remain for the said national fund.

The Committee further wishes that in accordance with the will of the Government, and pursuant to the decision of the Joint Commission for the Study of the Problem of the Chinese in the United States, the Committee should be authorized to conduct a study of the Chinese in the United States, and to report the results of such study to the Congress.

and the Committee further advise that pursuant to the said Section 105 of the Texas Penal Code, Thomas David Sprague, Assistant Treasurer of the State of Texas, is designated as the officer to sign the bill presented on each of the above mentioned bonds on behalf of the Treasury of the State, and committee

[illegible]

The value of the plant to be acquired was enhanced by the value of the machinery, fixtures and the various tools and equipment which are included in the purchase price of \$100,000.00. The value of the plant to be acquired was enhanced by the value of the machinery, fixtures and the various tools and equipment which are included in the purchase price of \$100,000.00.

agreement of October 1st, 1918, provides that "the vendor shall sell and the Commission shall purchase all the property, assets, and undertakings of every kind and nature of the vendor in connection with his electrical business as the same existed on the seventeenth day of October, 1917". A subsequent clause of the agreement excepted "all the vendor's cash, promissory notes, book obligations and other bills and accounts receivable to which the vendor is entitled on the first day of December, 1918". The Commission assumed control and took over operation of the undertaking on December 1st, 1918.

The entire undertaking, including transmission and distributing lines, contracts, franchises and goodwill, taken over as at October 17th, 1917, was brought into the books of the Commission in the one amount of \$100,000 on the following

estimated basis:

Present value of substation and distribution system	\$25,872.41
Present worth of capitalized value of commissions or royalties receivable on certain power contracts	57,500.00
Value placed on sold power available under contract to purchase power	<u>16,627.59</u>
	<u>\$100,000.00</u>

Since the acquisition of the undertaking the Commission has expended thereon to October 31st, 1922, the sum of \$2,076.98. The total investment, including the capitalized value of royalties, contracts, etc., is carried on the books of the Commission as at October 31st, 1922, in the sum of \$102,076.98.

A statement of assets and liabilities, October 31st, 1922, and the operating account for year ending October 31st, 1922, are given on pages 280 and 281 of the Fifteenth Annual Report of the Commission, recently published. Exhibit I to the report of our Accountants shows the comparative balance sheets of 1918, 1919, 1920 and 1921, and Exhibit II the operating accounts for these years.

The results of operation to October 31st, 1922, appear in the following summary:

For the year ending October 31	Excess of Revenues (including Royalties) over Expenses (excluding fixed charges)	FIXED CHARGES		
		Interest	Renewal Reserve	Sinking Fund Reserve
1919 (11 Mos.)	\$10,652.23	\$3,671.45	\$830.07	\$1,758.39
1920	15,920.03	3,859.50	932.57	1,918.25
1921	50,368.60	3,517.40	952.12	1,932.23
1922	28,108.62	4,110.08	978.22	2,230.18
	<u>\$105,049.48</u>	<u>\$15,158.43</u>	<u>\$3692.98</u>	<u>\$7,839.05</u>

	<u>Surplus</u>	<u>Transferred to Sinking Fund Reserve</u>
1919	\$4,392.32	-
1920	9,209.71	-
1921	43,966.85	\$57,568.88
1922	20,790.14	20,790.14
	<u>\$78,359.02</u>	<u>\$78,359.02</u>

1940 and 1941, and 1942. The following accounts are given in the following order: 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 261

... 1967, will result in mortgage to at least 100

Year	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099
1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	

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	<u>Total of Renewal Reserve (with accumulated interest) at October 31st.</u>	<u>Total of Sinking Fund Reserve (with accumulated interest) at October 31st.</u>
1919	\$ 830.07	\$ 1,758.39
1920	1,795.84	3,746.97
1921	2,819.79	63,397.96
1922	3,937.46	86,911.41 x

x- Of this amount \$290.12 was collected from the municipality of Thorold as part of cost of power.

Included in the revenues are royalties, of about \$3,600 per annum, paid by Ontario Power Company (controlled by the Commission) to the Commission as assignee of the Battle contract with the company. In the operating expenses is included the amount paid by the Commission to the Ontario Power Company for power supplied, some of which is to fill contracts made by consumers with Mr. Battle and contracts made by the company with consumers, upon which the company agreed to pay royalties to Mr. Battle, which contracts were assigned to the Commission. The variation in surplus in the several years is to a considerable extent caused by the progress of the work on the Welland Ship Canal.

On December 20th, 1920, the municipal corporation of the Town of Thorold entered into a contract with the Commission for the supply of 750 horse-power of electrical power upon the terms and conditions set forth in the agreement of May 4th, 1908, between the City of Toronto and other municipalities and the Commission for a supply of power from Niagara Falls. This agreement

[illegible]

On November 1904, 1905, the municipal corporation of the town of ... the town of ... for the purpose of the ... power upon the ... and ... in the ... of May 4th, 1908, ... the ... and ...

with the municipal corporation of Thorold provided "that the said terms and conditions may be modified pursuant to Paragraph 11 of the said agreement, but subject to such modifications the corporation shall be deemed a party to the said agreement."

The agreement of December 20th, 1920, was approved by Order-in-Council dated April 28th, 1922.

Prior to this agreement the municipality did not come within the provisions of the Power Commission Act and if it purchased power supplied by the Ontario Power Company, it was in the same position as other customers of the "Battle" undertaking. After the agreement was made the municipality occupied the same position as the original parties to the agreement of May 4th, 1908, and, in fact, became one of the group of municipalities forming the Niagara System. It acquired the same rights and assumed the same obligations as other municipalities in the Niagara System, but is not so treated on the books and records of the Commission, as will be seen by reference to the list of municipalities given in statements relating to the Niagara System appearing on page 202 and following pages of the Report of the Commission for the year ending October 31st, 1922, but as if it were part of a distinct system.

As the "Thorold System" has features similar to those of the "Essex County System", we here submit an outline of the situation of this latter system and later in this report deal

with the original investigation of the case. The original investigation was conducted by the FBI and the results were reported to the Attorney General. The original investigation was conducted by the FBI and the results were reported to the Attorney General.

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Within the provisions of the Power Commission Act and it is provided that the power supplied by the United States Government, it was in the original investigation of the case. The original investigation was conducted by the FBI and the results were reported to the Attorney General.

After the original investigation was conducted by the FBI and the results were reported to the Attorney General. The original investigation was conducted by the FBI and the results were reported to the Attorney General. The original investigation was conducted by the FBI and the results were reported to the Attorney General.

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The original investigation was conducted by the FBI and the results were reported to the Attorney General. The original investigation was conducted by the FBI and the results were reported to the Attorney General. The original investigation was conducted by the FBI and the results were reported to the Attorney General.

with the two undertakings together.

Essex County System

In November, 1913, the municipal council of the City of Windsor requested the Commission to make a valuation of the undertaking of the Essex County Light and Power Company (Limited), which was supplying neighbouring municipalities with electrical power.

Mr. R. T. Jeffrey, one of the Engineers of the Commission, made a full investigation of the assets and business of the company insofar as these related not only to the City of Windsor but to other municipalities as well. On the files of the Commission is a memorandum, a copy of which is as follows:

"1914

January 20 - Memorandum prepared by Mr. R. T. Jeffrey of valuation of Essex System, dealing in detail with complete system.

SUMMARY BY MUNICIPALITIES.

	Estimated Replacement Value	Present Value	Cost of New Hydro System	Population
Leamington	\$24,623.35	\$7,156.30	\$17,500	2,500
Kingsville	19,023.40	7,876.00	10,000	2,000
Essex	11,040.00	2,615.00	5,500	2,000
Harrow	8,994.22	2,219.00	4,000	500
Amherstburg	19,773.60	7,743.00	9,000	3,000

After the two preceding reports.

General Report

In 1910-11, 1911, the Commission, under the direction of the Board of Supervisors, has been engaged in a study of the various departments of the County Government, with a view to securing the most efficient and economical method of conducting the same.

At the first meeting of the Board of Supervisors, held on the 1st day of January, 1911, the following resolution was adopted: "That the Board of Supervisors do hereby authorize the Commission to make a study of the various departments of the County Government, with a view to securing the most efficient and economical method of conducting the same."

COPY

1911

Under the authority conferred upon the Commission by the Board of Supervisors, the Commission has the honor to submit herewith a report on the progress of its work during the year 1910-11.

Statement of Receipts and Disbursements

Receipts	Disbursements	Balance	Year	Year	Year
1,000.00	1,000.00	0.00	1910	1911	1912
2,000.00	2,000.00	0.00	1911	1912	1913
3,000.00	3,000.00	0.00	1912	1913	1914
4,000.00	4,000.00	0.00	1913	1914	1915
5,000.00	5,000.00	0.00	1914	1915	1916

Franchise		Estimated Yearly Earnings	Values recom- mended to Municipalities
Leamington	20 yrs. from May, 1908	\$14,800.00	\$32,611.00
Kingsville	20 yrs. from April, 1908	6,710.00	20,378.00
Essex	Perpetual	5,480.00	14,681.00
Harrow	To 1916	3,710.00	6,401.00
Amherstburg	To 1921	7,950.00	18,509.00
			<u>\$92,580.00</u>

Mr. Gaby recommends purchase of entire systems for \$192,577 (excluding real estate, substations, buildings and equipment at Sandwich)."

There does not appear to be any record of further action by the parties interested until after receipt by the Commission of a letter dated September 24th, 1917, from the Essex County Light and Power Company, Limited, stating:

"Demand for power is increasing. Can we purchase power from the Commission?"

Mr. Gaby, Chief Engineer of the Commission, under date of November 6th, 1917, wrote the company stating that

"the matter of purchase of this plant is now being investigated, and I expect to be able to reply further in near future."

Negotiations for the purchase of the company's undertaking were commenced forthwith. The course of these negotiations is indicated by the Minutes of meetings of the

Location	Quantity	Unit Price	Total Price
Location 1	100	\$1.00	\$100.00
Location 2	200	\$2.00	\$400.00
Location 3	300	\$3.00	\$900.00
Location 4	400	\$4.00	\$1,600.00
Location 5	500	\$5.00	\$2,500.00
Location 6	600	\$6.00	\$3,600.00
Location 7	700	\$7.00	\$4,900.00
Location 8	800	\$8.00	\$6,400.00
Location 9	900	\$9.00	\$8,100.00
Location 10	1,000	\$10.00	\$10,000.00
Total	5,000		\$36,500.00

COPY

1. The purpose of this document is to provide a summary of the information received from the various sources mentioned in the report.

2. The information received from the various sources is as follows:

- Source 1: [Name of Source]
- Source 2: [Name of Source]
- Source 3: [Name of Source]
- Source 4: [Name of Source]
- Source 5: [Name of Source]
- Source 6: [Name of Source]
- Source 7: [Name of Source]
- Source 8: [Name of Source]
- Source 9: [Name of Source]
- Source 10: [Name of Source]

3. The information received from the various sources is summarized as follows:

- Source 1: [Summary of Information]
- Source 2: [Summary of Information]
- Source 3: [Summary of Information]
- Source 4: [Summary of Information]
- Source 5: [Summary of Information]
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- Source 8: [Summary of Information]
- Source 9: [Summary of Information]
- Source 10: [Summary of Information]

4. The information received from the various sources is summarized as follows:

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5. The information received from the various sources is summarized as follows:

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7. The information received from the various sources is summarized as follows:

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- Source 9: [Summary of Information]
- Source 10: [Summary of Information]

10. The information received from the various sources is summarized as follows:

- Source 1: [Summary of Information]
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- Source 5: [Summary of Information]
- Source 6: [Summary of Information]
- Source 7: [Summary of Information]
- Source 8: [Summary of Information]
- Source 9: [Summary of Information]
- Source 10: [Summary of Information]

Commission from which the following extracts have been taken:

Meeting of 22nd November, 1917:

"The matter of the purchase of the Essex County Light and Power Company's systems was carefully considered. It was decided that an offer of \$175,000 be made for this plant, payment to be made in bonds of the Commission, payable in forty (40) years at 4%."

Meeting of 9th January, 1918:

"Approval was given for the purchase of the plant of the Essex County Light and Power Company from the Detroit Edison Company for the price of \$200,000 in Hydro 4% ~~forty-year~~ **COPY** bonds at par, plus \$25,000 in Hydro 5% ten-year bonds at par, the Chief Engineer reporting that the Canadian Salt Company would continue the supply of power for the system at the rate of 1.75¢ per k.w.h. for all power supplied. The Chief Engineer and the Secretary were instructed to complete all details of the deal for final presentation to the Board."

Meeting of 28th February, 1918:

"The proposed agreement for the purchase of the Essex County Light and Power Company was carefully considered and the Secretary was directed to forward same to the Government for approval and on receipt of same obtain the necessary Order-in-Council covering the purchase and close the transaction without delay."

...in forty (40) years at 4%.

COPY

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OR TRANSMITTED IN ANY FORM OR BY ANY MEANS,
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RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL
SYSTEM, WITHOUT PERMISSION IN WRITING FROM THE
PUBLISHERS.

11/11/1911

The proposed agreement for the purchase of the land
being made and being found to be satisfactory to
all parties and the necessary steps being taken to
secure the same for the purpose of the project and on receipt
of same the necessary steps will be taken to
the purchase and also the transmission of the same.

On March 27th, 1918, Sir Adam Beck wrote to Sir William Hearst as follows:

"The Essex Light, Heat & Power Company are now, and have been for some years, operating a system of electric lighting and supplying all the small Municipalities in and around the City of Windsor, including Sandwich, Amherstburg, Leamington, Kingsville, and other places in that District, from their plant situated outside the City of Windsor, with light, heat and power. The system is owned by the Detroit Edison Company and contains about fifty five miles of transmission and distributing line.

"The demand in this District for power having increased from time to time and the Company being unable to supply the same from their existing plant, they made arrangements with the Canada Salt Company to place equipment in their works and from that a supply of power was obtained. It is now arranged that a separate agreement be made with the Canada Salt Company to continue to supply the power as heretofore, to the Commission, until such times as the Commission are ready to supply the power from their own system, proper. The Edison Company undertaking in the agreement to supply the necessary coal to the Canada Salt Company for this purpose. The Municipalities have, on various occasions, applied to this Commission for relief. Interviews and negotiations have been had with the Company for a long time with a view of purchasing their plant and thereby eliminate any duplication and the Commission have now come to an agreement with the Company by which they are to purchase all the property in connection with the transmission, distribution and sub-stations, including all contracts, agreement, franchises and rights as set out in Schedule 'A' to the agreement attached hereto, for the sum of Two hundred and twenty-six thousand dollars (\$226,000), to be paid for in H.E.P.C. bonds guaranteed by the Government as follows:

\$200,000 in 4% 40 year bonds:

\$ 26,000 in 5% 10 year bonds.

"The bonds are to be handed over upon the complete transfer of all the rights of the Essex County Light & Power Company and of the Detroit Edison Company as therein set out, thus enabling the municipalities in the district to cancel their present agreements, passing the necessary by-laws and making contracts with the H.E.P.C. which, in the opinion of the Commission, will be of great advantage not only to the municipalities but to the takers of power on the St. Thomas, Chatham and Windsor lines.

"The Commission, therefore, recommend that an Order-in-Council be passed approving of the purchase under the provisions of the Power Commission Act of 7 George V. Section 3, and the issuing of debentures of the H.E.P.C. in the manner and amount set out in the attached agreement also directing the guaranteeing of the same by the Government pursuant to the Power Commission Act."

An Order-in-Council, dated April 9th, 1918, a copy of which follows, was passed:

"Upon the recommendation of the Honourable W. D. McPherson, Acting Attorney General, the Committee of Council advise that in accordance with the accompanying report and recommendation of The Hydro-Electric Power Commission of Ontario and pursuant to clauses (g) and (h) of Section 8 of The Power Commission Act, Chapter 39, R.S.O. 1914 as enacted by section 3 of The Power Commission Act 1917, Chapter 20, 7 George V, the said Hydro-Electric Power Commission of Ontario be authorized to purchase, upon being satisfied as to the title to the same, the property, assets and undertakings of The Essex County Light and Power Company, Limited, as provided in the annexed agreement, for the sum of Two hundred and twenty-six thousand dollars (\$226,000) and to issue in payment of the said purchase price forty year bonds of the Commission, bearing interest at the rate of 4½% for Two hundred thousand dollars (\$200,000) and ten year bonds of the Commission bearing interest at the rate of 5% for twenty-six thousand dollars (\$26,000) and for the aforesaid purpose to enter into and execute the said annexed agreement.

"The Committee further advise that in accordance with the said report and recommendation and pursuant to sections 14-(c) and 14-(d) of The Power Commission Act,

Chapter 39, R.S.O. 1914, as enacted by section 5 of The Power Commission Act 1917, Chapter 20, 7 George V. Your Honour do agree on behalf of the Province of Ontario to guarantee the payment of the principal and interest of the said bonds.

"And the Committee further advise that pursuant to section 14-(c) of The Power Commission Act, Chapter 39, R.S.O. 1914, as enacted by Section 5 of The Power Commission Act of 1917, Chapter 20, 7 George V, Charles Hood Sproule, Assistant Treasurer of Ontario, be designated as the Officer to sign said guarantee on each of the above mentioned bonds on behalf of the Province of Ontario, such guarantee to be in the form following:

'By virtue of powers conferred by the Legislature of the Province of Ontario, Canada, the Province of Ontario hereby guarantees to the holder of the within bond for the time being and to the holder for the time being of any of the coupons attached thereto, due payment of the principal of the within debenture and of the interest thereon, according to the tenor of the said debenture and of the coupons attached thereto.'

As appears by the Minutes of a meeting of the Commission held on May 1st, 1918:

"The report of the Chief Engineer re the Essex County Light and Power Company was considered and direction was given that the operation of this plant be taken over on June 1st next and the Secretary was directed to have the bonds prepared for the completion of the deal."

Bonds of the Commission, guaranteed by the Province, dated June 1st, 1918, and in accordance with the terms mentioned in the agreement and Order-in-Council, were issued and delivered as the purchase price of the assets of the Essex County Light and Power Company, Limited, and specified in the

agreement. The Commission assumed possession and commenced operation of the undertaking, thus being placed in all respects in the position until then occupied by the Essex County Light and Power Company, Limited, as supplier of power to consumers in the district.

The current was being supplied at 60 cycles frequency and it was therefore necessary to make extensive replacements and alteration to the equipment before power could be taken from Niagara Falls at 25 cycles. By an agreement entered into with the Canadian Salt Company, Limited, that company continued to supply power to the Commission until such time as power from Niagara Falls was available.

The assets acquired from the Essex County Light and Power Company, Limited, were valued by the engineers of the Commission as set forth in detail in Exhibit LV to the report of our Accountants, a summary of which is:

<u>Particulars</u>	<u>Amount</u>
Transmission Lines	\$104,099.71
Distributing Stations	32,779.57
Old Plant	4,464.24
Local Distributing System	<u>84,656.48</u>
	<u>\$226,000.00</u>

Certain of the plant and equipment was sold or otherwise disposed of and realized less than the engineers' valuation thereof, included in above. Equipment not included in the valuation was acquired. Adjustment of accounts resulted in showing on the books of the Commission as of June 1st, 1918, a value of \$221,890.03 for the transmission lines, stations, franchises, goodwill, etc., acquired.

Alterations, additions and improvements made by Commission since its acquisition of the undertaking have occasioned the following expenditures:

From June 1st, 1918, to	
October 31st, 1918	\$ 31,282.14
For year ending October 31st, 1919	90,074.98
For year ending October 31st, 1920	16,149.51
For year ending October 31st, 1921	13,379.50
For year ending October 31st, 1922	<u>17,033.99</u>
T o t a l	<u>\$167,920.12</u>

These expenditures together with the value of the capital assets in the amount of \$221,890.03 as of June 1st, 1918, made the total investment in the undertaking on October 31st, 1922, \$389,810.15. This investment represents:

4% 40-year Debentures, maturing	
June 1st, 1958.....	\$200,000.00
5% 10-year Debentures, maturing	
June 1st, 1928.....	<u>26,000.00</u> \$226,000.00

...the plant and equipment was sold or

otherwise disposed of and realized less than the engineers'

valuation thereof, included in above. ...

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Cash advanced by the Commission from its "General Fund"	\$114,171.63
Cash advanced by the Province in 1921	22,000.00
Balance from renewal reserve	<u>27,638.52</u>
T o t a l.....	<u>\$389,810.15</u>

The advances of \$114,171.63 by the Commission have been made out of advances by the Province for the purpose of other systems from reserve and other funds which the Commission may have had in its custody.

The results of operation of the Essex County undertaking to October 31st, 1922, are indicated in the following summary

For the Year ending Oct. 31st.	Excess or De- ficiency of Revenues over Expenses (including fixed charges)	Fixed Charges				Net Profit or Loss
		Interest	Renewal Reserve	Sinking Fund Reserve	Total	
	\$	\$	\$	\$	\$	\$
1918 (5 Mos)	2,993.41	4,198.72	3,716.17	1,778.97	9,695.86	12,567.27
1919	10,090.01	15,231.04	9,885.96	4,269.54	29,384.54	19,294.53
1920	25,956.19	18,262.24	12,759.47	4,269.54	35,291.25	9,335.06
1921	45,652.22	19,099.74	13,732.40	4,269.54	37,101.68	8,550.54
1922	59,897.22	19,058.72	7,380.96	4,269.54	30,709.22	29,188.00
	<u>138,602.23</u>	<u>75,850.46</u>	<u>47,472.96</u>	<u>18,857.13</u>	<u>142,180.55</u>	<u>3,578.32</u>

88, IVI, 1113 ***** "Bapt. 1913" *****

00,000,000

DATE OF DEATH: 11/11/1918

at least 100,000 men were sent to the front.

• y b o s a n o a z i m i b e n o t a n i y a n d o i s m i s a

100-443887-100

Year	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100
1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	

	Total of Renewal Reserve (with accumulated interest) at October 31st	Total of Sinking Fund Reserve (with accumulated interest) at October 31st
1918 (5 mos.)	\$ 3,716.17	\$ 1,778.97
1919	13,574.75	6,119.67
1920	26,877.21	10,633.99
1921	41,684.70	15,328.85
1922	47,954.04	20,211.54
	Together - \$68,165.58	

"Thorold System" and "Essex County System"

In some respects the position of the two undertakings is different.

1. The "Thorold System" from the first has had a surplus, after provision made for Renewal and Sinking Fund Reserves, while in the "Essex County System" to October 31st, 1918, after five months of operation, revenues did not equal expenses (including interest and credits to Reserves), and until the fiscal year ending October 31st, 1920, interest and allowances for Reserves being taken into account, the deficit increased. During the years ending October 31st, 1921 and 1922, the net deficit was reduced from \$41,316.86 to \$3,578.32, and should be converted into a surplus as a result of operation for the current fiscal year.

2. One municipal corporation of the "Thorold System", but none of the "Essex County System", has entered into a contract with the Commission for a supply of power "at cost." Under the provisions of the Power Commission Act, as

Total at January 1, 1900		Total at January 1, 1901	
[Total amount of interest (with accumulated interest) at January 1, 1900]		[Total amount of interest (with accumulated interest) at January 1, 1901]	
\$ 1,784.19	\$ 1,784.19	\$ 1,784.19	\$ 1,784.19
2,118.04	2,118.04	2,118.04	2,118.04
10,000.00	10,000.00	10,000.00	10,000.00
10,000.00	10,000.00	10,000.00	10,000.00
10,000.00	10,000.00	10,000.00	10,000.00
Total - \$34,902.23		Total - \$34,902.23	

Financial Statement of the San Francisco Public Library

In accordance with the provisions of the San Francisco Public Library Ordinance, Chapter 1, Section 1, the following statement is submitted for the year ending December 31, 1900.

1. Assets.

Assets given to the Library by the City and County of San Francisco, and by other donors, are as follows:

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Assets given to the Library by the City and County of San Francisco, and by other donors, are as follows:

before indicated, the municipal corporation of the Town of Thorold is in the same position as others listed by the Commission in the "Niagara System", and the relation of the Commission to it is different to that existing between the Commission and other consumers of power in the "Thorold System" and all the consumers in the "Essex County System". In the table of "Loads of Municipalities - Niagara System" given on page 19 of the Report of the Commission recently issued, the "Essex County System" is included but not the "Thorold System".

In other respects the two undertakings are on similar footings. They were acquired and their affairs have been administered in a similar manner, and the relation of the consumers to the Commission and that of the Commission to the Province, except as indicated, are identical. Neither is a "System" as defined by the Power Commission Act.

The agreements to purchase in the two cases were approved and issues of bonds of the Commission were authorized for payment of the purchase price by Order-in-Council pursuant to Clauses (g) and (h) of Section 8 of the Power Commission Act, and these bonds were guaranteed by the Province pursuant to Section 14c of the Act. By the Power Commission Amendment Act, 1919, the agreements in both cases (attached as schedules to the Act) "are hereby confirmed and declared to be legal, valid and binding upon the parties thereto respectively and shall not be open to question upon any

...the municipal corporation of the town of
...in the same position as others listed by the
...the "Theroid System", and the relation of the
...is different to that existing between the
...of power in the "Theroid System"
...in the "Theroid System". In the
...of "Theroid System" - "Theroid System" given
...of the Report of the Commission recently issued,
...the "Theroid System" is included in the "Theroid System"
...the two undertakings are on similar
...and the relation of the Commission to the Province, except
...as indicated, and indicated, as indicated, as indicated,
...by the Commission
...The Commission is required to give the Commission
...and issued of bonds of the Commission and the Commission
...of the Province price by Order-in-Council pursuant to Clause
(a) and (b) of the Lower Commission Act, and these
...bonds were guaranteed by the Province pursuant to Section 140 of
...the Act of the Province Commission Act, 1909, the Commission
...as indicated as indicated as indicated as indicated as indicated
...valid and binding upon the parties
...will not be open to question upon any

ground whatsoever, notwithstanding the requirements of the Power Commission Act or amendments thereto, or any other Act of the Legislature". This amending Act cured any defect there may have been in the purchases, which by the Order-in-Council were authorized pursuant to Clause (g) of Section 8 of the Act, which Clause deals solely with the purchase of shares in an incorporated company and is not applicable to the purchase of either undertaking.

The authority given by Clause (c) of Section 8 of the Act for the acquisition by the Commission with the approval of the Lieutenant-Governor in Council does not appear to extend to the acquisition of franchises and contracts for the supply of power, but to be confined to the acquisition of erections, plant, machinery and other works and appliances. The undertaking was vested in the Commission by the agreements and its title thereto was rendered indefeasible by the Power Commission Amendment Act of 1919. There does not appear, however, to be any provision in the Act, as amended, defining the trusts upon which such undertakings are to be held by the Commission, nor as to the establishment of Renewal or Sinking Fund Reserves, nor as to the disposition of Reserve Funds, if established, and of profits made or losses sustained.

As has been set forth above for "Thorold System" and "Essex County System" the Commission has provided Renewal and Sinking Fund Reserves, the "Thorold System" has gained a profit and "Essex County System" has to date sustained a loss.

Mr. Clarkson in his audit report on the accounts of the Commission to October 31st, 1921, refers to the Sinking Fund Reserves on both "Thorold System" and "Essex County System" and we quote therefrom:

"Under Section 15 of the Act sums received by the Commission from municipal corporations and others on sinking fund account are required to be invested by the Commission in securities of the Province of Ontario, and all interest accruing thereon; and such securities shall be delivered by the Commission to the Treasurer of Ontario as security for repayment of the advances made by the Province to the Commission. As no part of the revenue of the Thorold System was paid to the Commission by municipalities or others for the purpose of meeting sinking fund instalments, the Commission has not invested the sinking funds of the system in securities of the Province of Ontario for delivery to the Treasurer of Ontario."

"With the purchase price of the Essex System paid for by the issue of bonds of the Commission guaranteed by the Province of Ontario, the provisions of the Power Commission Act do not appear to require that sinking funds be established to meet the same - this for the reason, as I am advised by legal counsel, that the guarantee of such bonds by the Province does not constitute an advance within the meaning of Section 23 of the Act. With no municipalities under contract with the Commission to pay cost for power delivered by the Essex System, there would also appear to be no provisions in the Power Commission Act requiring the establishment of Sinking Funds for the repayment of the advances by the Province and the Commission to the Essex System.

"While not required by the Power Commission Act so to do, the Commission has, for the whole period of operation to October 31, 1921, included sinking fund instalments - of amount sufficient to meet the bonds given in purchase of the System at the maturity thereof - in the costs of power to the System and the sums so placed to the credit of Sinking Fund account to October 31, 1921, amounted to \$15,328.85. With a deficit of \$32,766.32 met with in operation of the System to that date, annual collection of such sinking funds had not been effected by the Commission but stood included in and comprising part of such

deficit. Accordingly, the Commission was not and will not be required, under the provisions of Section 15, of the Act, to invest such sinking funds in securities of the Province of Ontario for delivery to the Treasurer of Ontario until such time as the earnings of the System shall have repaid the deficit."

From the accounts of the Commission in connection with the "Thorold System" it appears that a charge was made against the municipal corporation of Thorold of \$290.12 as provision for its proportion of Sinking Fund. We are informed that the Commission proposes to invest this amount in compliance with Section 15 (1) of the Act, which requires the Commission to invest all sums received by it from municipal corporations and others on Sinking Fund account in securities of the Province and all interest accruing thereon, such securities to be delivered to the Treasurer of Ontario as security for the repayment of the advances made by the Province to the Commission. The Act apparently does not limit the duty of the Commission in respect of investment of Sinking Fund payments to such as are collectible from municipal corporations as part of the "cost of Power", nor to direct that securities of the Province, delivered to the Treasurer of Ontario shall be held as security only for advances made by the Province to the Commission for the undertaking in respect of which the Sinking Fund payments are collected by the Commission. Section 15 (1) is the final amendment to the Section of the original Power Commission Act which required payment of all monies received by the Commission to the Province.

In the "Thorold System" and the "Essex County System", the Commission, Trustee of all the works constructed or acquired by it under the authority of The Ontario Niagara Development Act for the municipal corporations which have entered or may enter into contracts for a supply of power from Niagara Falls or the vicinity, supplies power to itself at the cost of same to it as such Trustee and sells the power to consumers, amongst whom are municipal corporations. Revenues from such sales are placed in the "General Fund" of the Commission. Out of the "General Fund" are paid all expenses of the systems, including payment back to the General Fund of the cost to the Commission of power supplied and of interest on advances for construction and equipment of distributing works for the two undertakings. Renewal and Sinking Fund Reserves are accumulated, supposedly in the General Fund, are credited with interest at four per cent. per annum and the "Systems" are debited with interest at a higher rate on advances from the same fund for the cost of extensions and improvements. The situation seems to be a complicated one and may become more complicated in the future unless clarified. Difficulties may arise in regard to the beneficial ownership of the properties acquired and the responsibility for the retirement of the bonds issued and as to the disposition of any accumulated surplus or liquidation of any deficit. The application of Section 21 of the Power Commission Act to the situation would seem worthy of consideration, this Section dealing with the application of net profits arising from

the supply of electrical power by the Commission under contracts with "a distributing company or with any other corporations or person". The effect of Section 23 of the Act in respect of contracts of the Commission with municipal corporations in "Thorold" and "Essex County" Systems may also require consideration, as this Section apparently contemplates that all municipal corporations entering into contracts with the Commission for a supply of electrical power are entitled to the same on the terms set forth in the section and are not required to pay rates which give a profit to the Commission.

Bonnechere River Storage System.

COPY
With a view to the regulation of the flow of the waters of the River Bonnechere, upon which at the Town of Renfrew there was a municipally owned power plant, the municipal corporation of Renfrew entered into an agreement dated January 9th, 1912, with the Commission for the construction by the Commission of a dam at the outlet of Round Lake. On April 2nd, 1917, a further agreement was entered into between the same parties for the erection of another dam to serve a similar purpose, at or near the outlet of Golden Lake, into and out of which the river flows. The municipality had not itself authority to undertake this work, but the Commission under the Power Commission Act, with the approval of the Lieutenant-Governor in Council, might do so. As a difference of opinion seems to have arisen between the Town and the Commission

COPY FOR ENCLOSURE TO

as to the extent of the liability of the municipality for the cost to the Commission of the work, we refrain from any comment which might be prejudicial to the rights of either party to the agreements and merely draw Your Honour's attention to some features of the undertaking, which is referred to as a "system" in the records of the Commission, and submit a summary of the accounts relating thereto.

The undertaking is the only one of its nature carried out by the Commission. Under Section 8 of Clause (e) of The Power Commission Act, the Lieutenant-Governor in Council may authorize the Commission to flood lands and improve water powers and "contract with any municipal corporation, company or individual for the use of any of the improvements or works so made on such terms and conditions as may be agreed on, and charge such tolls for the use of the water power, or improvements or works by any municipal corporation, company or individual as the Commission may deem reasonable, having regard to the cost of acquiring such land and the construction, maintenance and operation of such improvements or works". We do not deal with the question of whether or not the course taken by the Commission in connection with the Bonnechere River Storage System was in accordance with the provisions of the Power Commission Act or was otherwise authorized.

The capital investment of the Commission in respect of the undertaking was on October 31st, 1922, \$34,165.74 made up as follows:

as to the extent of the liability of the undertaking for the work
to the completion of the work, we refrain from any comment which
might be prejudicial to the rights of either party to the agree-
ment and merely state that the undertaking is not bound to
the undertaking, which is intended to be a "contract" in the sense
of the Statute, and which is subject to the provisions relating
thereto.

The undertaking is the work of the undertaking
and is the undertaking. (What Section 6 of the
Bills of Exchange Act, the Statute in relation to
relatives the undertaking to those laws and laws which govern
and "contract" is the undertaking, subject to the
fact that the law of the undertaking is not to be taken as
even laws and regulations which are to be taken as
which are not at the same time, to be taken as
to any material completion, subject to the fact that
attention is not to be taken, subject to the fact that
for each law and the undertaking, subject to the fact that
even regulations or laws, as the law of the undertaking
which are not the same as the law of the undertaking
with the undertaking (the law of the undertaking)
the undertaking is the law of the undertaking and is not
subjected.

The undertaking is the law of the undertaking
the undertaking is the law of the undertaking, subject to the
fact that the law of the undertaking is not to be taken as
subjected.

COPY FOR ENCLOSURE TO

Round Lake Dam\$20,292.68
 Golden Lake Dam..... 11,092.81
 Interest on above from
 January 1, 1914, to
 January 1, 1917, the
 date of commencement
 of operation..... 2,780.25 \$34,165.74

To meet the cost of operations, interest on capital cost and to provide a sinking fund for the repayment of the cost of the works, annual assessments were made against users of water. These assessments and the operating costs and fixed charges for the several years are set forth in the following table:

Particulars	January 1, 1917, to October 31, 1918					Year ending October 31, 1919					1920					1921					1922				
Revenue -																									
Assessments originally																									
made against users																									
of water																									
Town of Renfrew	\$2,896.26	1,937.37	1,405.16	2,707.33	2,491.89																				
Private users	1,643.33	1,518.38	1,101.50	-	-																				
Together	\$4,539.59	3,455.75	2,506.46	2,707.33	2,491.89																				
Operating Cost	692.99	1,357.61	411.95	615.77	2,491.89																				
Fixed Charges	3,846.60	2,098.14	2,094.51	2,091.56																					
Total Expenses	\$4,539.59	3,455.75	2,506.46	2,707.33	2,491.89																				

The "private users" having failed to pay the assessments made against them for the years 1918, 1919 and 1920, with the exception of one who paid his 1918 assessment of \$146.40, the Commission transferred the amount of the unpaid assessments to October 31st, 1920 - \$4,116.61 - to the account of the Town of Renfrew and for the years ending October 31st, 1921 and 1922, has assessed the town for all operating costs and fixed charges.

The total amount charged to the Town of Renfrew to October 31st, 1922, in respect of the unpaid assessments against

Golden Gate Farm

Interest on above from
7/1/50 - 6/30/51
\$1,000.00
Total \$1,000.00
Date of payment 6/30/51

and the government will work closely in support of the state.

years before when a few missionaries landed, and set to work

[illegible]

COPY FOR ENCLOSURE TO

private users to October 31st, 1920, and the assessments for 1921 and 1922, was \$9,315.83, of which the municipality paid \$2,199.08, leaving a balance to its debit on the books of the Commission of \$7,116.75 on October 31st, 1922.

The ultimate ownership of the Bonnechere River storage works and the repayment of advances made by the Province employed by the Commission in meeting the cost thereof are matters for consideration of Your Honour in Council. The mutual rights and obligations of the Commission and the municipality of the Town of Renfrew are governed largely, if not altogether, by the agreements between them.

All of which is respectfully submitted.

COPY

DATED AT TORONTO,.....*Dec. 21st*.....1923

W. D. Gregory, Chairman
M. J. Haney
Lloyd Harris
J. Allan Ross
R. A. Ross

Private account to be closed. 1950, and the agreement for 1951
and 1952, was \$1,110.00, of which the municipality paid \$1,110.00,
leaving a balance of \$114.00 on the books of the municipality at
12,110.00 on October 31st, 1952.

The municipality's account at the Commercial Bank of
Ottawa and the agreement of payment was by the first of January
by the municipality in settling the first quarter and interest for
operation of the system in 1951. The interest of this was
relativities of the Commission and the municipality of the Town
of Hamilton and Government of Canada, as the municipality, of the agree-
ment between them.

All of which is respectfully submitted.

COPY

11000 11000
Allen Ross
R. A. Ross

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